



Iowa Department of Justice
Office of Consumer Advocate

Frequently Asked Questions
New State Office Buildings
January 3, 2007

Q1: What are the building projects contemplated by the 2006 legislation?

A1: A model energy efficient building for the Iowa Utilities Board (IUB)/Consumer Advocate Division of the Department of Justice (OCA) and a state office building, with accompanying parking structure, for multiple state agencies of approximately 350,000 square feet.

Q2: What does the legislation require?

A2: Per Code Section 8A.330, prior to expending or obligating more than \$1,000,000 in total, the department shall submit a business plan related to the construction of a new state office building that includes all of the following:

1. A list of the identified agencies that will occupy the building and an estimate of the number of employees of each agency.
2. The rental or lease costs currently paid by the identified state agencies, and the estimated rental or lease costs to be incurred by the identified state agencies if a new state office building is not constructed.
3. A return on investment analysis associated with the construction of a new state office building compared with the following:
 - i. Continuing to lease or rent space for existing state agencies in addition to renovating the Wallace state office building.
 - ii. Entering into an agreement for the construction of a new building for use by the state through a long-term lease or long-term lease-purchase agreement.”

(Note: The return on investment analysis for the IUB/Consumer Advocate building does not include a comparison to the cost of renovating the Wallace state office building because those agencies are not housed in that building.)

Q3: How will the two projects be funded?

A3: The IUB and the Consumer Advocate are funded entirely by assessment for duties performed under the law. These assessments are paid by utilities and other parties that have business before the Board. Long-term funds will be secured via bonds issued by the treasurer of state, as addressed in House File 2782. The debt payment would become an IUB/OCA budget item in lieu of rental costs. Thus, the new building would be funded through assessments with no impact on the General Fund and the cost of the new building is projected to be less than the cost of rent that would otherwise have to be paid.

Appropriations totaling \$77,142,000 are in place for the new State Office Building, including:

FY2007	Endowment for Iowa's Health Restricted Capitals Fund	\$37,585,000
FY2008	Rebuild Iowa Infrastructure Fund	\$16,100,000
FY2009	Rebuild Iowa Infrastructure Fund	\$16,800,000
FY2010	Rebuild Iowa Infrastructure Fund	\$6,657,100

Q4: How much has been spent on the projects to date?

A4: Two contracts for expert advice have been issued. AMEC E & C Services, Inc. did conceptual cost estimating services for both buildings. The total cost was \$23,896.88.

Equis Corporation performed the cost benefit and Return on Investment (ROI) analysis. To date, invoices for this analysis for both buildings are \$47,500. The maximum per the contract is \$50,000.

Terracon Consultants, Inc. has completed a preliminary subsurface exploration for the proposed building sites. Six borings were drilled at a total cost of \$5,400.

Approximately ten thousand dollars (\$10,000) for management services has been expended.

Q5: Where will the buildings be located?

A5: The preferred site for the new State office building is identified at Location #1 on the complex map which follows.

The preferred site for the IUB/OCA building is identified at Location #2 on the complex map which follows.

Q6: When do we anticipate that construction will be completed?

A6: For the IUB/OCA building, late 2009 or early 2010. For the new State office building, late 2010 or early 2011.

Q7: What are the next steps after the return on investment process?

- A7:
1. Obtain financing as required (IUB/OCA building only)
 2. Selection of design teams
 3. Projects' design and approvals
 4. Bidding
 5. Construction
 6. Move in

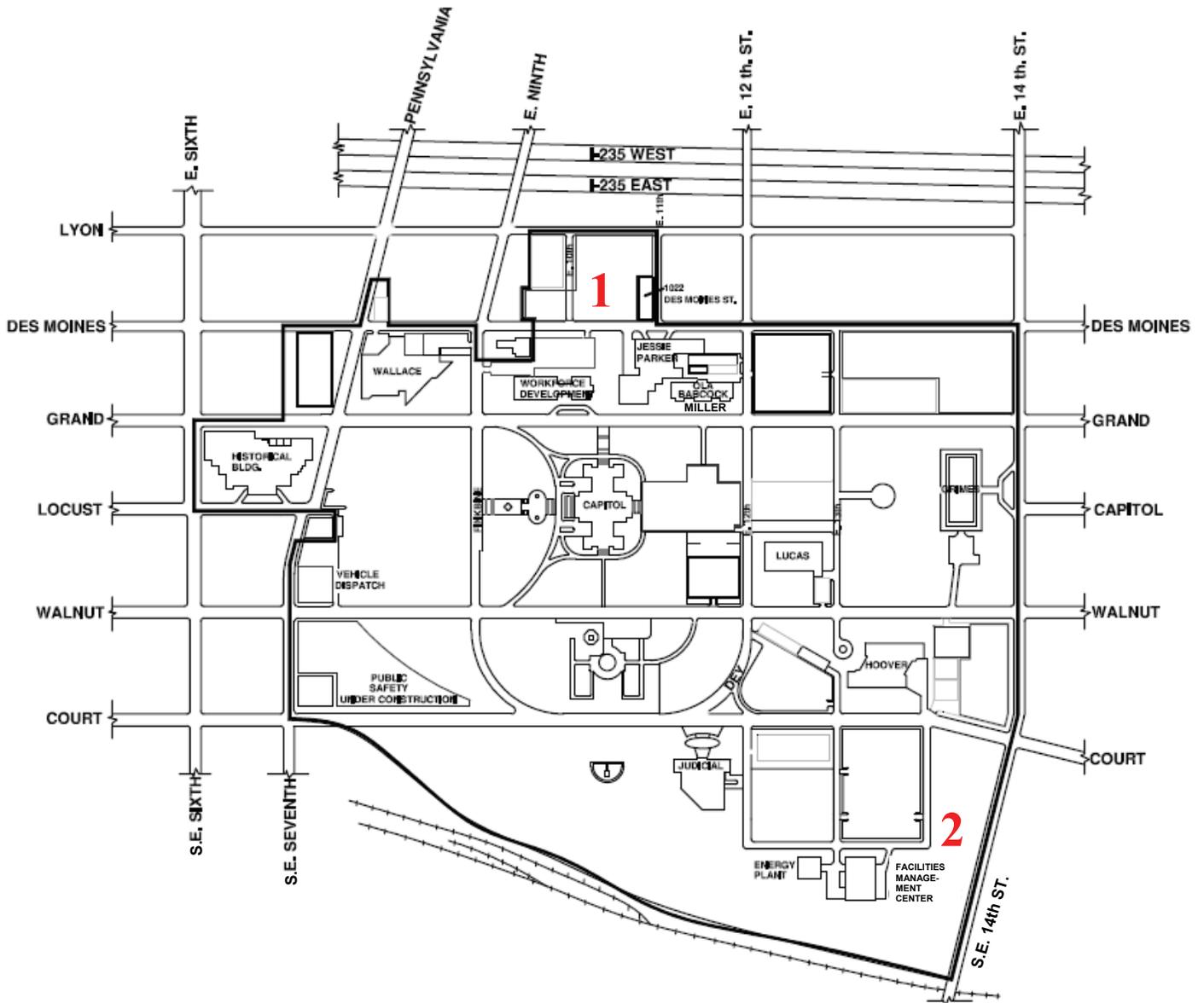
Q8: How will constituents receive progress reports?

A8: Quarterly Capitol Planning Commission meetings will be held, regular building and construction meetings will also be held; regular status updates will be provided to the General Assembly.

IOWA STATE CAPITOL COMPLEX

PROPOSED CONSTRUCTION SITES

2007



KEY

- 1 — Proposed site of the New State Office Building (replacing the Wallace Building)
- 2 — Proposed site of the IUB/OCA Office Building